Flexible Working: Changing the 9-5

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## What is Flexible Working?

Flexible Working Arrangement (FWA) work schedules are a substitute for the traditional working hours of 9-5 / 40-hour working week, allowing alternative times of arrival at, and departure from, the workplace. Additionally, FWA can involve employees choosing their work location: in the office, home, or elsewhere. FW offers employees ways to achieve a work-life balance, tailoring work to meet lifestyle choices. Thus, employees with FWAs can work at specific times and in particular locations to facilitate spending more time with their families and friends. Two definitions of Flexible Working:

* Flexible working is a way of working that suits an employee's needs, e.g. having flexible start and finish times, or working from home (Gov, 2016a).
* Flexible working gives employees flexibility on how long, where and when they work (FT, 2016).

Flexible working has become a more common practice in all fields of work over recent years, benefiting the employees and the employer. More companies now actively consider FWAs as an alternative to the current traditional working hours, and the impact and change FWAs could bring to their companies. The business markets world-wide are becoming increasingly competitive, with technological development, demographic changes and social cultural impacts on the traditional age and gender-associated roles.

## Who is Eligible?

Eligibility for FWAs around the world varies. In the UK, up until 2014, only parents of children under the age of 16 and individuals who are registered carers for children or adults, could legally ask employers for a change in their work patterns to better suit home obligations. However, as an employee in the UK today, you now have [the legal right to request a flexible working arrangement](https://www.gov.uk/flexible-working/overview), and employers have a legal obligation to answer (Tulett, 2014). With this new eligibility, the UK Government released an impact assessment in November 2012 entitled the “[Government Response on Flexible Working](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/82793/12-1269-modern-workplaces-response-flexible-working.pdf)” . In this assessment, the UK Government estimated that with new eligibility of flexible working to more employees it will bring an economic benefit of £475m, apply to more than 10 million employees, and result in over 60,000 new flexible working arrangements each year (Gov, 2012).

## Types of FWAs

ACAS (Advisory, Conciliation and Arbitration Service) are an independent UK organisation that provides impartial information for employers and employees concerning workplace relations and employment law. ACAS identify 12 different types of FWAs employees can request from their employer for a better work-life balance; these are listed below (ACAS, 2010).

**Temporary working-** The employee is employed for a limited amount of time, which is expected, by both the employer and worker, to last for only a short time. The individual can be employed directly by the employer or an agency.

**Fixed-term contracts­**- A contract of employment which is based on a fixed period or the completion of a specific task. The employment ends when the contract expires and no notice needs to be given.

**Zero hours’ contracts­-** Is an arrangement where employees can work without any fixed hours, and when they are available and when required by the employer.

**Homeworking-** This is when there is an arrangement between the employer and employee for employees to work from home, either on a regular basis or permanently.

**Term-time working -** Employees elect to reduce their hours to match school terms, or take time off during school holidays.

**Shift-work** - A pattern in which employees work back-to-back in the same job within a 24-hour period. Some shift workers will regularly change their hours of work and rotate morning, afternoon, and night shifts.

**Compressed working weeks** - This involves the normal working week being either spread out over more days, or reduced to within fewer days. This is achieved by repositioning of time worked into fewer or longer blocks, and not necessarily involving a reduction or an increase of hours.

**Overtime –** An agreement between employee and employer in advance, for any extra days the employee can work beyond their normal contracted hours (Gov, 2016b).

**Flexitime -** This allows employees to choose, within set time limits, when they start and finish working hours. Employees are required to working during core times, but outside of these core times, at the beginning and end of each day, they can choose when they want to start and finish. In addition, employees can change the variation in the length of their lunch hour, and in some cases employee can *bank time* so that the length of the workday can be varied and can be banked for future time off (Christensen & Staines, 1990).

**Part-Time work-** This is when employees are contracted to work anything below the normal basic full-time working hours.

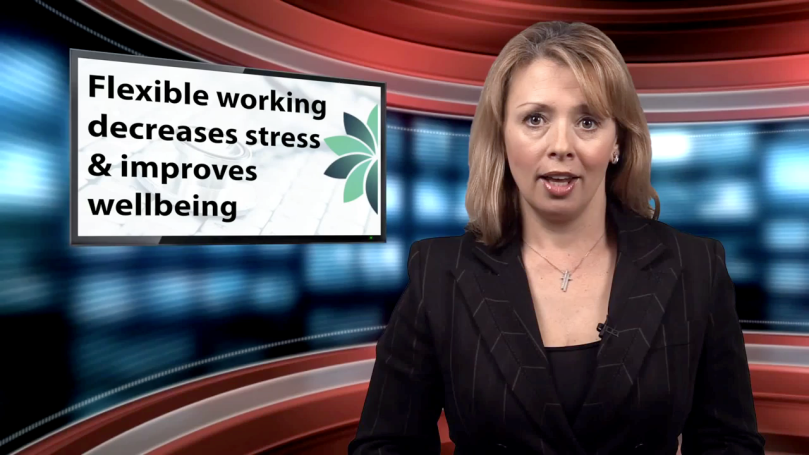
**Job Sharing-** Two or more employees share the responsibility of a full-time job, splitting the pay and benefits in comparison in line with the proportion of the total hours each works. They may split days or weeks, or have alternate weeks.

**Telecommuting**- The employee works outside of the office (i.e. from home) or any location, and rather travelling to work each day they communicate with their employer and colleagues through email, telephone or video calls (Doyle, 2016).

## The Benefits of FWAs for the Business and Employees

As mentioned in the [Who is Eligible?](#_Who_is_Eligible?) section, there are significant predicted projected benefits of FWAs to the UK business economy. In the modern economies, FWAs have been recognized as a key element for harmonizing the work and life environment which employers struggle to achieve through traditional working hours. This is also linked to maximising employee productivity (Galea, Houkes & De Rijk, 2013). This is an area which is influential on both micro and macroeconomic scales; an example of this is the UK, productivity is [one of the lowest in the G7](https://www.theguardian.com/business/2016/nov/24/why-is-uks-productivity-still-behind-that-of-other-major-economies). The introduction of FWAs can be used as a strategic tool for employee retention and satisfaction, an alternative approach to the traditional method of monetary benefits such as, bonuses, salary increases, and allowances. As cited in Kohn (1993), Professor Frederick Herzberg argues that while low salaries can irritate and demotivate employees, it does not follow that more money will bring increased satisfaction and motivation. This is supported by a survey carried out by [the Chartered Institute of Personnel and Development](https://www.cipd.co.uk/Images/employee-outlook_2014-autumn_tcm18-10906.pdf), which discovered that 63% of employees were not satisfied with their job, despite a pay rise. Croucher & Kelliher (2005) argue that introducing FWAs helps the business to attract, recruit, and retain highly qualified staff in their organisations, as employees feels that the employer cares about his/her wellbeing and non-working life (Casper & Harris, 2008). Anderson & Kelliher (2009) found that FWAs result in an increase in employee loyalty, engagement, and organisational commitment to the business, and lead to high satisfaction.

Introducing FWAs in a business organisation, can present a wide range of benefits for the employee. Findings conducted by Lewis & Humbert (2010) found that men with FWAs were associated with improved commitment to the organisation, and women associated FWAs with a way to improve their work-life balance. The findings also found that women were more likely to request and take up FWAs due to traditional norms of motherhood. However, this is changing due to evolving family norms and patterns, and flexible working is becoming a more popular request by men. FWAs help result in managing daily work-life duties more effectively, which then may result in a better work-life balance overall. Shapiro et al.’s (2009) findings present that there is a positive correlation between FWAs and health issues, such as mental health and stress reduction.



## Limitations of FWAs

Despite the benefits of FWAs, there are also several limitations for both the employer and employee. Back in 2013, Yahoo faced backlash from the world-wide media for an internal memo about the [end of flexible working](http://www.nytimes.com/2013/02/26/technology/yahoo-orders-home-workers-back-to-the-office.html?_r=1&pagewanted=all&), and ordering all their flexible workers back to the office as they claimed it demoralized Yahoo’s corporate structure and impaired their collaboration between the staff compared to face-to-face communication. This evidences potential limitations for a company with FWA implementation. Additionally, it’s not just the collaboration that is a possible limitation of FWAs, but also the ‘over working’ and potentially ‘less work-life balance’ that can result for employees. There is the potential of over working compared to being in a normal office environment, as some people have problems detaching themselves from work both physically and mentally, with this causing a lack of recovery time which can impair health, personal relationships and productivity (Bearne, 2016).

To support this, research conducted on software engineers, Hyman et al (2003) found working at home with ‘high-stress’ jobs lead to an increase of intrusion into the family life due to employees finding it more difficult to ‘leave work at work’ and finish on their normal work schedule times.

Research carried out by Parakandi & Behery (2016), also argues that having FWAs creates barriers between colleagues and managers; an example of this is difficulties arranging meetings and work schedules. Lastly, the law also limits both the employee and employers, such as employees only being allowed to make one request in any 12-month period, which employers can reject, based on a justified business reason (ACAS, 2016). This shows that, although the law gives the opportunity to employees, it won’t necessarily be actioned; this limits employees to some degree. To conclude, although FWAs can bring many advantages, to ensure they work well, appropriate culture and work policies must be put in place to avoid these possible limitations.

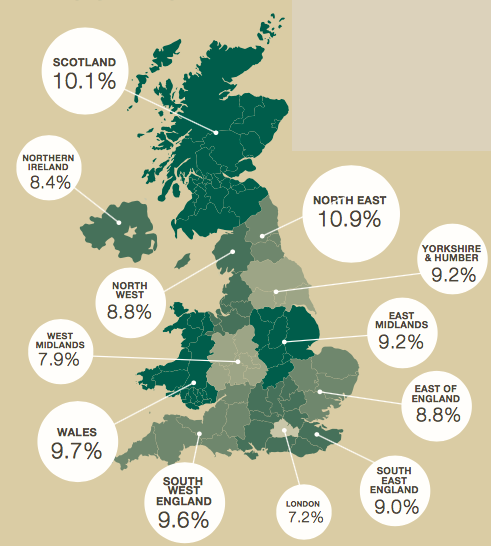


# Flexible Working Arrangements: Global Trends

## UK Trends

It is predicted that, by the end of 2017, almost half of UK businesses will offer some type of flexible working to their employees; by 2020, the proportion of businesses offering FWA in the UK are expected to exceed 70% (Bean, 2016). This contrasts with Aybars’ (2007) research which highlighted that the UK was one of the slowest EU countries to implement equality and work-life wellbeing policies. April 2003 marked the first stage of national legislation promoting work-life wellbeing; since then, legislation has developed further such that increasing numbers of people have become eligible (Gov, 2012). As mentioned above, it wasn’t until 2014 that the legislation changed to cover individuals meeting specific criteria (parent or carers); today, millions of ordinary employees are entitled to request flexible working in line with a greater focus on the population’s health and wellbeing/ work-life balance. Former Deputy Prime Minister, Nick Clegg, stated it was, "time we brought working practices bang up-to-date with the needs, and choices, of our modern families" (BBC, 2014).

A major study carried out by Timewise, a UK recruitment consultancy firm, revealed a ‘lack’ of job vacancies that mention flexible working, with only 6.2% of ‘quality job’ vacancies (in terms of a salary over £20k) mentioning the term flexible working in the descriptions. In addition, it found that 14.1 million workers (46% of people currently employed) desire FWAs to complement their ‘modern lifestyles’, but are unable to secure them owing to the high levels of competition for the handful of vacancies available. CEO of Timewise, Karen Mattison, says, “The world of work has experienced a revolution – technology advances and recent legislations have facilitated a huge growth in flexible working, yet this has not been reflected in hiring practices” (Cohen, 2015). The infographic below shows the proportion of quality flexible jobs in the UK, indicating the low proportions of these roles across the UK. Most surprisingly, the lowest percentage of jobs with FWAs are in London. However, compared to its European counterparts, the UK has the highest number of flexible working policies, with more than 64% of organisations implementing FWAs, with the second highest being Germany with 57% (Faragher, 2013).



(Percentage proportion of job vacancies that mention FWAs) (Timeworks, 2016)

## European Trends

The need for FWAs has increased throughout Europe, due to volatile market conditions, increased competition when applying for jobs, and the need for a workforce that can adapt to changes in the environment, such as technological advancement. There is an increase in demand for a better work-life balance, reflecting social and cultural changes; this may result in increased demand for FWAs. The European Commission reports that there has been a decrease in popularity of the traditional 40-hour week/ 48-weeks of the year, with countries in the EU incentivising more flexible work patterns. For example, in France, new legislation means that French workers have the [Right to Clock off by 6pm](https://www.theguardian.com/money/shortcuts/2014/apr/09/french-6pm-labour-agreement-work-emails-out-of-office), to improve their work-life balance, and in Sweden a [6-hour working day](https://www.theguardian.com/world/2015/sep/17/efficiency-up-turnover-down-sweden-experiments-with-six-hour-working-day), is currently being tested, to boost productivity and motivation, and promote a better work-life balance.

Throughout the EU, there is an increase in part-time work, with more than 30% of women now in part-time work. Moreover, there has been a change in the normal Monday-Friday working pattern, with increasing numbers of workers using FWAs to work on the weekend to make up work days (EU Commission, 2010).

In Denmark and Sweden, FWAs seem to be very popular, reflecting practices across all the EU member states, with over 60% of men and women having FWAs. Following closely behind are Germany, Finland and Norway, each of which had over 50% of employees in a type of FWAs.

The EU commission provides a basic legal framework which applies to all member states. The framework, [Directive 2003/88/EC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003L0088), lays down ‘minimum safety and health requirements for the organisation of working time, in respect of periods of daily rest, maximum weekly working time, annual leave and aspects of night-work, shift-work and patterns of work’ (OJEC 2004). Countries including, Denmark, Germany, Spain, France, Cyprus, Lithuania, Netherlands, Poland and Portugal have introduced additional laws concerning individuals’ rights for FWAs, with legislation focusing on all employees and those with caring responsibilities. In Denmark, employees can make the decision to change from full-time to part-time, while in Germany employees in businesses with more than 15 people can request flexible work, and in Lithuania employees have the right to decrease their days or hours. Employees in Spain, France, Cyprus and Portugal are entitled to submit a request to reduce the number of hours they work, but their employers may refuse such requests.

## North American Trends

There is currently no law in North America giving employees rights to apply to their employer for FWAs; the government mentions FWAs are just an agreement between the employee and employer (DOL, 2017). However, some employees are protected by [Family Medical Leave Act (FMLA)](https://www.dol.gov/whd/fmla/), which is a duty on the employer to grant 12-weeks to 12-months (depending on the reason), leave or flexible hours for those who have given birth, are awaiting child care, caring for someone with a serious illness, or have a serious health condition.

With no law on FWAs for able employees, it is unsurprising that the Bureau of Labour Statistics doesn’t carry regular trends of FWAs in US businesses. However, when last recorded in 2005, only 5% of employers offered FWAs to their employees, representing an increase of just 1% since 2003 (Lauby, 2013). However, the Department for Labour has acknowledged the increased trend, and in 2017 they will continue the contingent workforce survey (Trottman, 2016).

## Australian Trends

The Australian government has put in place a similar law to the UK to protect its workers’ rights in terms of FWAs; these are widely employed across [MNCs](https://en.wikipedia.org/wiki/Multinational_corporation). For example, within one of Australia’s main banks, ANZ, 87% of employees negotiate with their managers to adjust their work schedules (Butler, 2015). In collaboration with the government, the [Fair Work Ombudsman](https://www.fairwork.gov.au/employee-entitlements/flexibility-in-the-workplace/flexible-working-arrangements) sets out guidelines within which employees have the right to request FWAs. This grants a proportion of employees the automatic rights to FWAs, and details the rights of casual employees who have worked at a company for more than a 12-months to request FWAs from their employers. Employers have an obligation to respond within 21 days of the request. With the introduction of the [Fair Work Act 2009](http://www.austlii.edu.au/au/legis/cth/consol_act/fwa2009114/s65.html), there has been a significant increase in the numbers of parents using the law to achieve a better work-life balance. The [Australian Bureau of Statistics](http://www.abs.gov.au/ausstats/abs%40.nsf/mediareleasesbyCatalogue/A995F965DA20489ECA258021001F3B08?OpenDocument) released data concerning the increase of FWAs amongst employees with children, indicating that, in 2016, around 30% of fathers have some form of FWA with their employer; this is in stark contrast with the figure of just 16% two decades ago. Moreover, a survey conducted by the [University of South Australia](http://www.unisa.edu.au/Documents/EASS/CWL/Publications/AWALI_2014_national_report_final.pdf) which gathered data from a sample of employees between 2012 and 2014, found that, in 2014, 52% of respondents have chosen to adopt a healthier work-life balance and are working less hours in 2014 than in 2012.

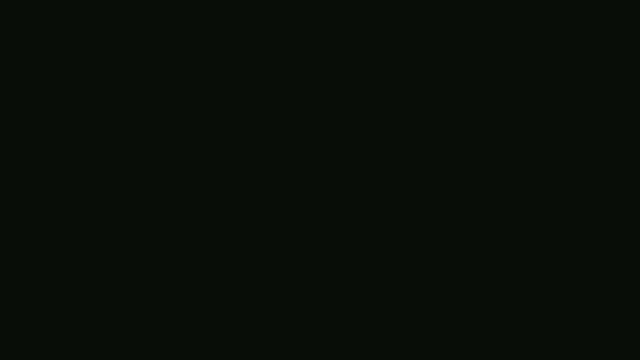


(Alamy, 2017)

Although the trend in Australia for FWAs seems to be a positive implementation of the [Fair Work Act 2009](http://www.austlii.edu.au/au/legis/cth/consol_act/fwa2009114/s65.html), the traditional 20th century male breadwinner/ female caregiver is still very much alive in the social culture (Craig & Mullan, 2010), such that two-thirds of the labour force are male (ABS, 2014). Without the cultural adoption of shared childcare responsibilities, FWAs will be slow to adapt as males may not perceive a necessity to balance their work-home life.

## Case Study of Flexible Working Arrangements





## Summary

This review has revealed that, with increasingly sophisticated technology, and the development of understanding of health and welling in general, there has been greater adoption of FWAs across the world. This is supported by the introduction of various laws in many countries, so that employees are being permitted greater choice and more workers’ rights. However, FWAs can be considered to be still in their infancy stage in some countries, where the social cultural norms remain traditional, impacting on the unitization of FWAs globally. However, most countries are now slowly beginning to realise the importance of employees achieving improved work-life balance, and are recognising the benefits presented by the application of FWAs, both for the employer and employees. Managers are increasingly looking to take up FWAs to adapt to social cultural changes, aware of the wider intrinsic benefits of alternative patterns of working in a tough economic climate. This compares favourably to the ‘traditional’ way of working, where extrinsic motivators are more prevalent. To conclude, with technological advancement and enhanced clarity of understanding of the health and well-being benefits of FWAs, there will likely be increasing support for employees to request them, and for employers to promote them amongst the workforce.

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